

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2007-213-C - ORDER NO. 2007-577
AUGUST 23, 2007

IN RE:	Joint Application of BellSouth	)	ORDER GRANTING
	Telecommunications, Incorporated d/b/a	)	EXPEDITED REVIEW,
	AT&T South Carolina and AT&T	)	WAIVING CRAMMING AND
	Communications of the Southern States,	)	SLAMMING REQUIREMENTS,
	LLC for Approvals and Waivers for	)	APPROVING REMOVAL OF
	Proposed Migration of Residential Local	)	LOCAL CARRIER FREEZES
	Exchange Service Customers in South	)	FOR MIGRATED
	Carolina	)	CUSTOMERS, AND
		)	APPROVING JOINT
		)	APPLICATION

This matter, filed pursuant to S.C. Code Ann. §§ 58-9-300 and 58-9-310 (Supp. 2006), comes before the Public Service Commission of South Carolina (“Commission”) on a motion for expedited review from BellSouth Telecommunications, Inc. d/b/a AT&T South Carolina (“AT&T South Carolina”) and AT&T Communications of the Southern States, LLC (“AT&T Communications”) (together the “Applicants”) to approve a jointly proposed plan to migrate residential local exchange service customers in South Carolina. According to the Joint Application, submitted on May 24, 2007, both AT&T South Carolina and AT&T Communications additionally request waiver of “cramming” and “slamming” requirements and approval to remove local carrier freezes of migrated customers. This request stems from the recent acquisition of BellSouth Telecommunications by their parent company AT&T, Inc., which has resulted in multiple affiliates of AT&T companies providing residential local exchange services in the State.

As a result, the AT&T family of companies would like to streamline its operations and consolidate their residential local exchange service offerings by having AT&T Communications cease providing residential local exchange service in South Carolina and by offering all of these services in the State through AT&T South Carolina. This consolidation, beginning in November 2007, will require all of AT&T Communications' customers to be transferred to AT&T South Carolina by the end of December 2007. The Joint Application reveals that after completion of the residential customer migration, AT&T will file appropriate tariff revisions to remove its residential local exchange service offerings.

Further, the Applicants request that the Commission waive any "cramming" and "slamming" regulations that might be violated by the migration of customers from AT&T Communications to AT&T South Carolina. "Cramming" occurs when unauthorized, misleading, or deceptive charges are placed on a subscriber's telephone bill. According to the prefiled testimony of Laura A. Reid and Rebecca Yung-Eng by the Applicants, even though customers transferred from AT&T Communications to AT&T South Carolina will be offered a local exchange service plan that is most comparable to their current plan, the migration of subscribers between the two companies potentially involves cramming because AT&T South Carolina does not offer identical calling features, services, or rate plans. Therefore, after migration it is possible that some customers may have access to certain AT&T features they did not have while customers of AT&T Communications. In cases where customer charges are higher under the AT&T South

Carolina plan, AT&T South Carolina states it will arrange special credits to offset the price difference.

Although cramming is neither mentioned in the Code of Federal Regulations nor the Commission's statutes or regulations, according to the FCC it is governed by the Code of Federal Regulation's Truth in Billing requirements. The purpose of these requirements is to "reduce slamming and other telecommunications fraud by setting standards for bills for telecommunications service." 47 C.F.R. § 64.2400(a). The Truth in Billing requirements related to both cramming and slamming are detailed at 47 C.F.R. §§ 64.2400-64.2401. Carrier liability for slamming is discussed at 47 C.F.R. § 64.1140 and S.C. Code Ann. § 58-3-230(C) (Supp. 2006).

"Slamming" occurs when a company changes a subscriber's carrier selection without that subscriber's knowledge or explicit authorization. Reid and Yung-Eng's prefiled testimony states that, to prevent slamming, AT&T Communications' residential local exchange customers will be given clear and unambiguous advanced written notification of the transfer as well as information from AT&T South Carolina regarding services, rates, and customer service. Moreover, general notice of the proposed migration has already been provided in *The State* newspaper, *The Greenville News*, *The Post and Courier*, and *The Morning News*. Finally, Reid and Young-Eng state that customers will be advised of their right to choose any AT&T South Carolina plan and of their right to choose an alternate service provider.

Authority to govern slamming is granted to state commissions by 47 C.F.R. § 64.1100(f). As a result of this authority given to state commissions, South Carolina

established provisions under S.C. Code Ann. § 58-3-230 (Supp. 2006) regarding the unauthorized change of provider service. This provision states in part:

A utility... may not submit a change request for a customer's utility service until the customer's authorization for the change is obtained by using marketing or anti-slamming guidelines approved by the appropriate federal and state regulatory agencies. In the case of utilities defined by Section 58-9-10, the appropriate regulatory agencies are the Federal Communications Commission and the South Carolina Public Service Commission....

S.C. Code Regs. § 58-3-230(A).

The Applicants warrant that they intend to comply with federal guidelines as well as South Carolina requirements and state that waiver of any cramming and slamming regulations that might be violated by the proposed customer migration is both in the public interest and necessary because it will avoid disruption of customers' local exchange service.

The companies additionally indicate that the transferred customers will continue to receive quality service from AT&T South Carolina at the same or better rates than they paid at AT&T Communications. Additionally, the Applicants' prefiled testimonies of Laura A. Reid and Rebecca Yung-Eng provide that customers of both companies will benefit by streamlining AT&T's residential exchange portfolio, simplifying customer offers and reducing customer confusion. Therefore, given the notice that customers have or will receive and the above guarantees made by the Applicants, the Commission finds that waiving any cramming or slamming provisions that might be violated will facilitate the migration of customers between the two companies and is in the public interest.

In addition to waiving cramming and slamming requirements, the Applicants request approval to remove local carrier freezes from the accounts of migrating customers. According to the Applicants, this approval is necessary because AT&T Communications' residential customers with local carrier freezes on their accounts, who have not chosen a different local exchange service provider by early November 2007, will experience a disruption of service, since the freeze must be removed in order for the account to transfer. In other words, failing to remove the freeze will prevent AT&T South Carolina from providing service to those customers under the proposed plan. For this reason and the reasons given in support of waiving cramming and slamming requirements, the Commission finds that it is in the public interest to also waive local carrier freezes on the accounts of AT&T Communications' customers.

IT IS THEREFORE FOUND, CONCLUDED, AND ORDERED:

1. For the foregoing reasons, the Joint Application to migrate customers from AT&T Communications to AT&T South Carolina is in the public interest and approved pursuant to S.C. Code Ann. §§ 58-9-300 and 58-9-310 (Supp. 2006).

2. Waiver of the cramming and slamming requirements pertaining to this docket is in the public interest, and therefore, the provisions governing cramming and slamming as they relate to the migration of customers from AT&T Communications to AT&T South Carolina are necessarily waived pursuant to the Commission's authority under 26 S.C. Code Ann. Regs. 103-803 (April 27, 2007).

3. Removal of local carrier freezes on the accounts of AT&T Communications' customers is necessary to accomplish the migration of its customers to

AT&T South Carolina without disruption of service and is therefore in the public interest and approved.

4. After completion of the residential customer migration, AT&T Communications shall file appropriate tariff revisions to remove its residential local exchange services in South Carolina.

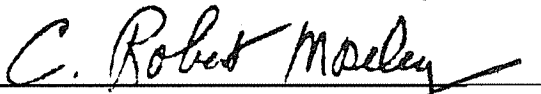
5. This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:



G. O'Neal Hamilton, Chairman

ATTEST:



C. Robert Moseley, Vice Chairman

(SEAL)